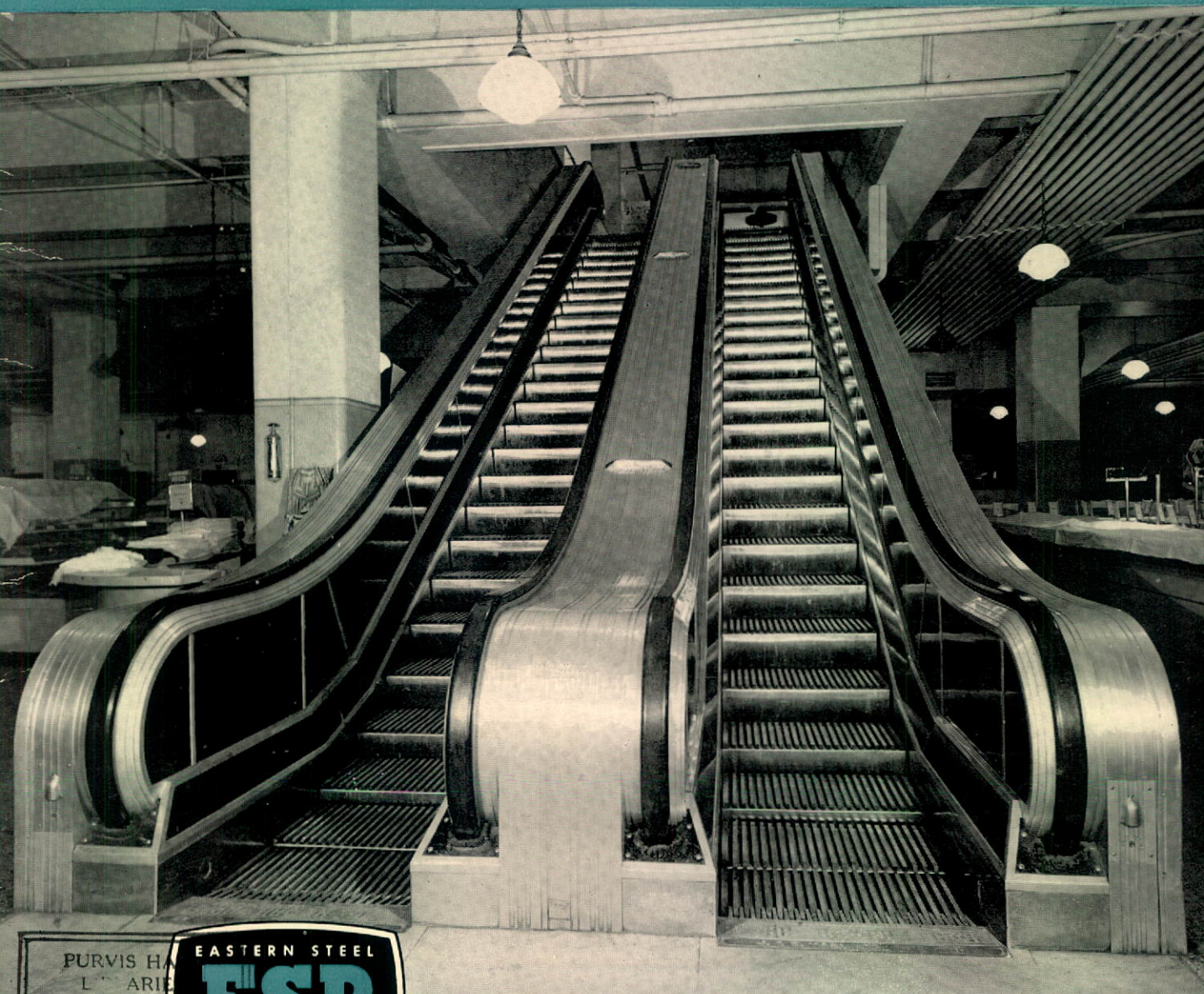


Annual Report

EASTERN STEEL PRODUCTS LIMITED

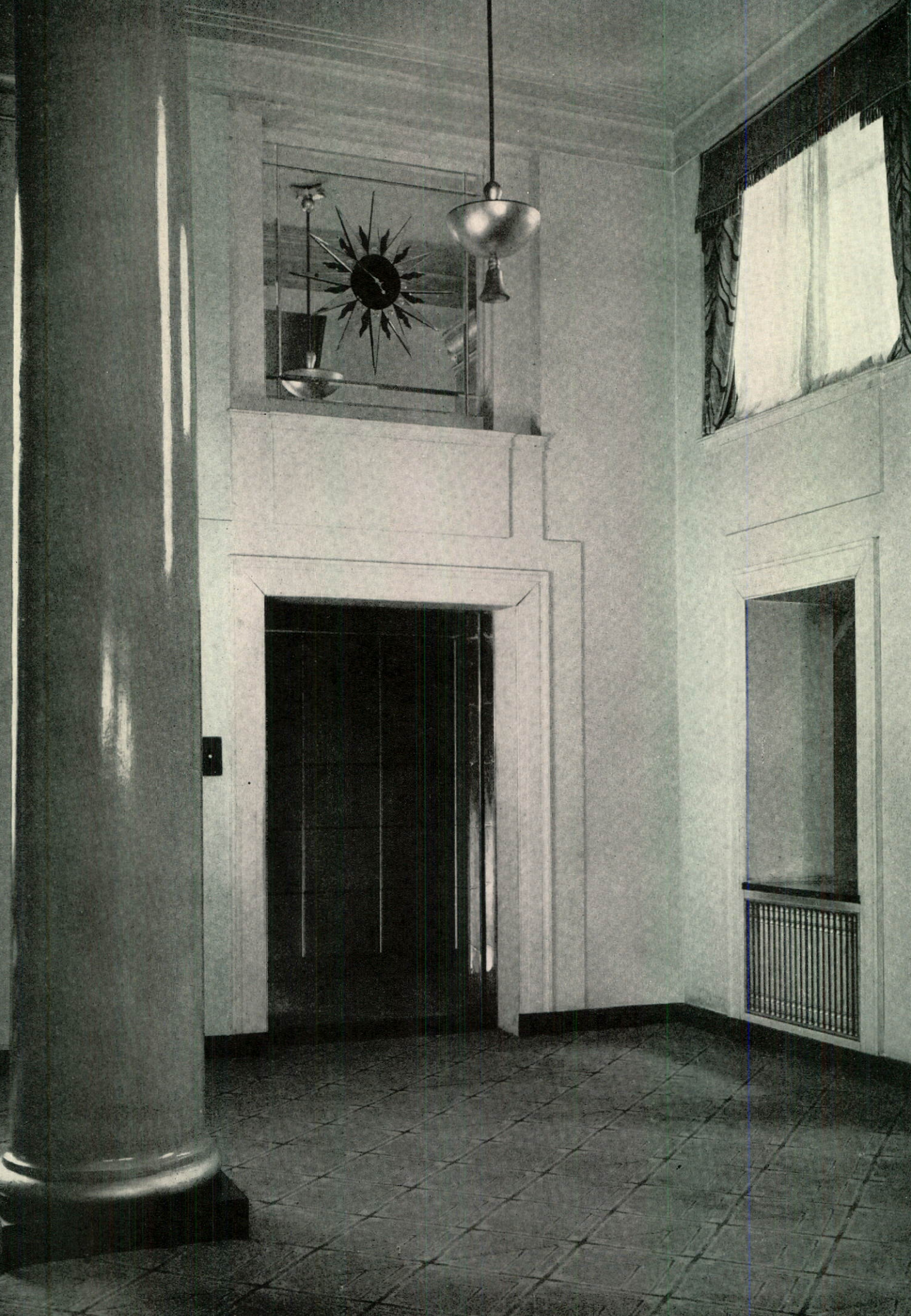
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EASTERN STEEL PRODUCTS LIMITED

Board of Directors

C. F. W. Burns	Toronto, Ont.
A. K. Cameron	Westmount, Que.
A. B. Davidson	Toronto, Ont.
M. S. Haas	Toronto, Ont.
J. E. Labelle, K.C.	Montreal, Que.
F. J. Madely	Toronto, Ont.
Gordon McMillan, K.C.	Toronto, Ont.
Lt.-Col. W.E. Phillips, C.B.E., D.S.O., M.C.	Toronto, Ont.
J. M. Pritchard	Westmount, Que.

Officers

Chairman of the Board	A. K. Cameron
President	A. B. Davidson
Vice-President	J. M. Pritchard
General Manager	F. J. Madely
Secretary-Treasurer	N. T. Berry

Bankers

The Bank of Nova Scotia

Registrars, Transfer Agents

Eastern Trust Company

Solicitors

McMillan, Binch, Wilkinson, Stuart, Berry and Wright

Auditors

Thorne, Mulholland, Howson & McPherson, C.A.

Head Office

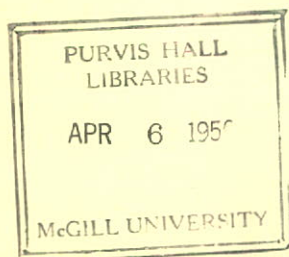
394 Symington Avenue Toronto, Ontario

Plants at Montreal, Toronto and Preston

ESP

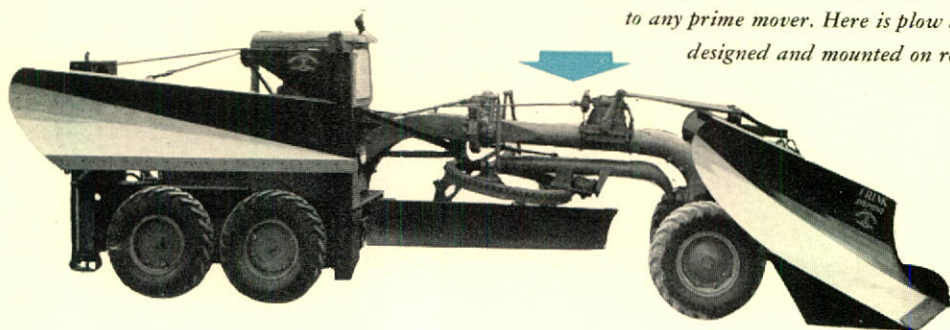
Front Cover—*The moving portal to increased Sales—fast customer distribution throughout the Store. An example of dependable, trouble-free service is illustrated by this Hall, now ESP-Hall, 15-year old moving stairway in Robert Simpson's Toronto Store.*

Inside Front Cover—*Beauty of design plus speed and serviceability is the keynote of ESP-Hall Elevator installations.*



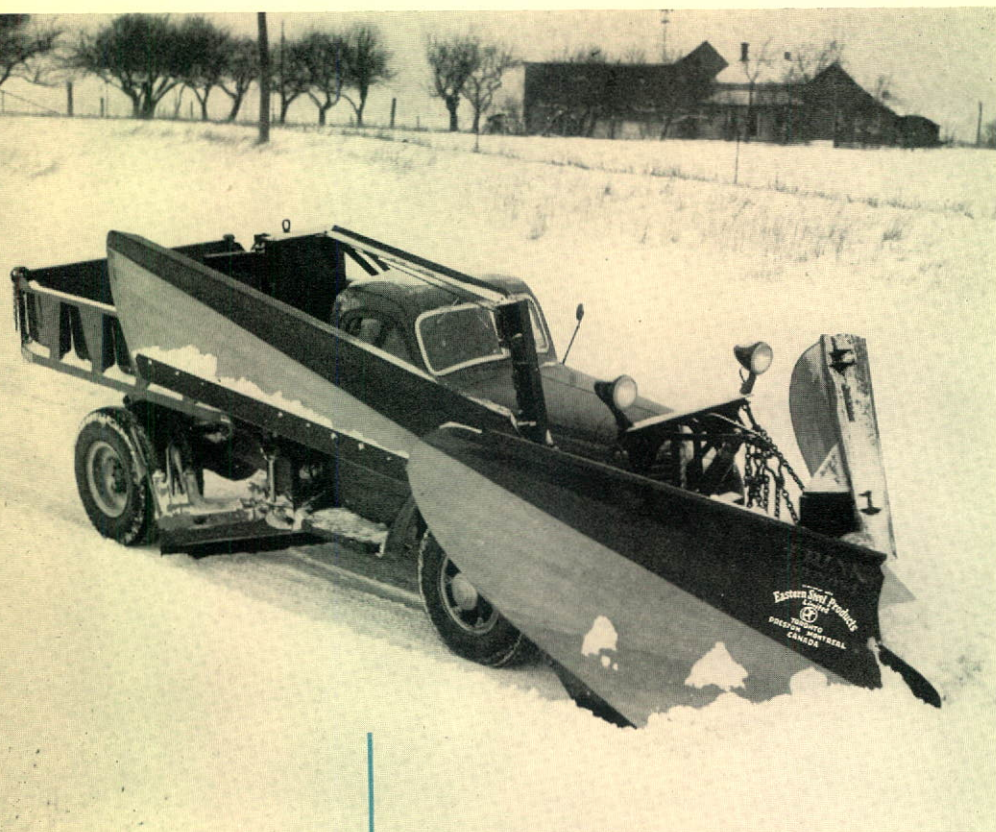
EASTERN STEEL PRODUCTS LIMITED

ESP snow plows and levelling wings can be applied to any prime mover. Here is plow and wing especially designed and mounted on road grader.



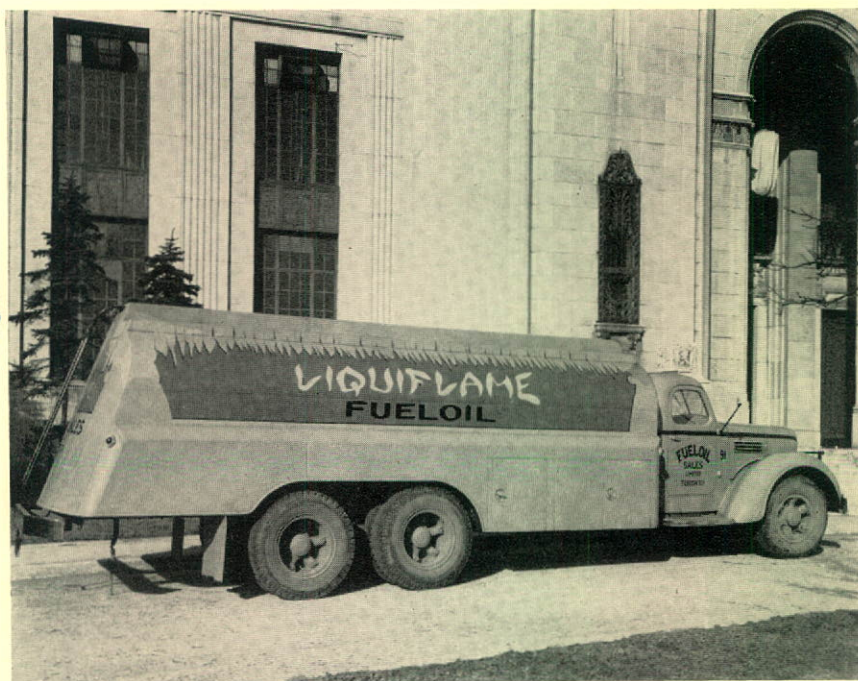
Highway load limitations alone limit size of ESP bodies and hoist applications. Here are twin hoists for unusual load.





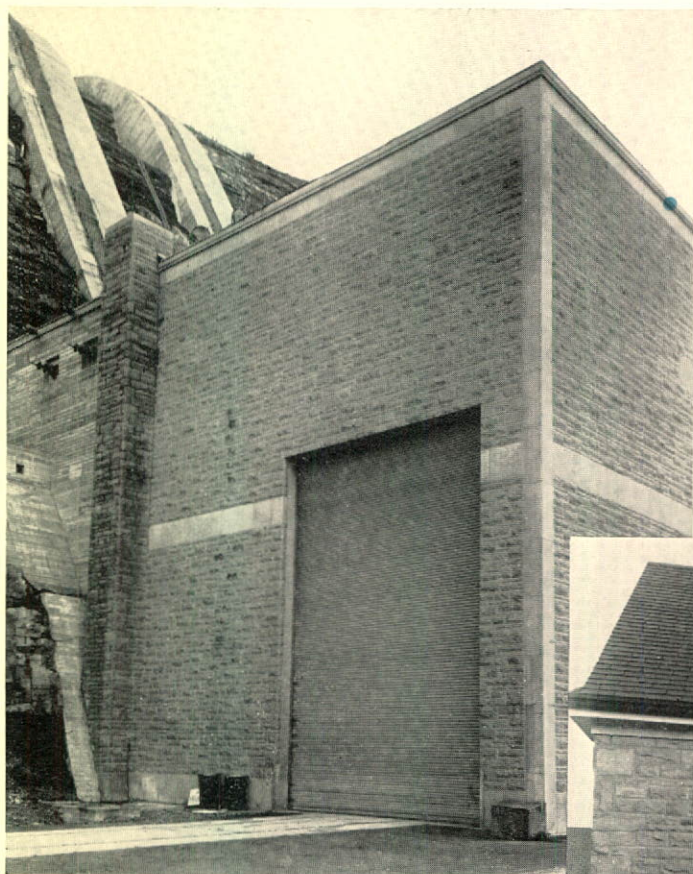
*An ESP road maintaining unit has ESP snow
plow and wing, ESP underbody scraper, ESP
dump body and hoist for all year use.*

*ESP truck tanks combine
streamlined symmetry with
fully-proven engineering.*





*ESP steel window sash and operators installed
in this modern plant assure long life
and maximum penetration of daylight.*



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*Utility openings in old or new buildings are
adequately served by free-moving ESP
rolling steel doors—motor or hand operated.*



EASTERN STEEL PRODUCTS LIMITED

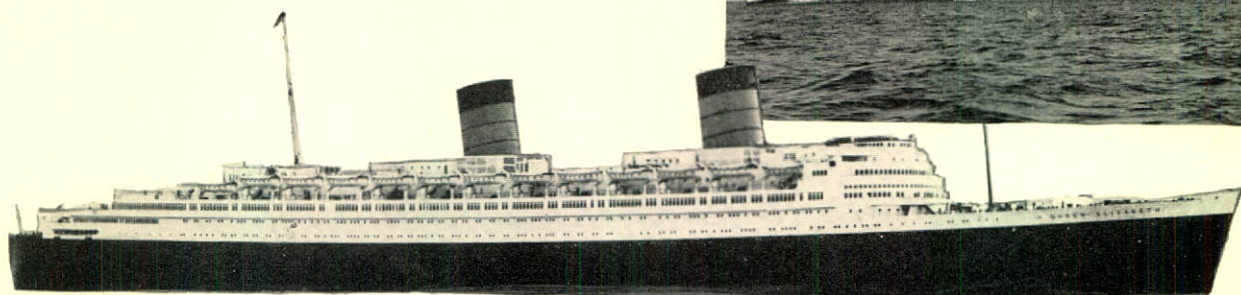
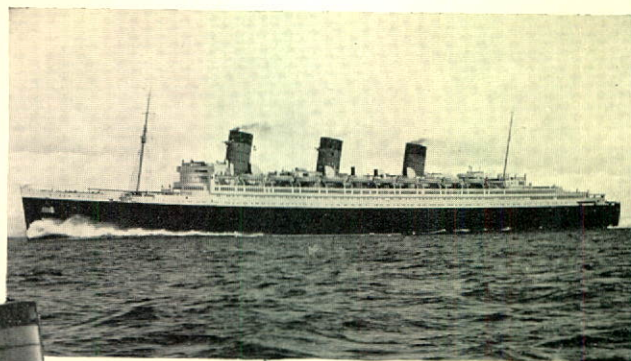


*ESP Rolling Steel Doors allow Christie's extra wide openings to keep their fleet
of trucks moving quickly. These fast motor-operated doors are positively
weather tight when closed and provide a neat,
business-like appearance at all times.*

*ESP Garage Overdoors add immensely to the
appearance of any home . . . eliminate all swinging
door problems. (Radio operated, if desired.)*

ESP

*The Queens of the sea—right, the Queen Mary;
below, the Queen Elizabeth—refrigeration
design and installation by J. & E. Hall.*

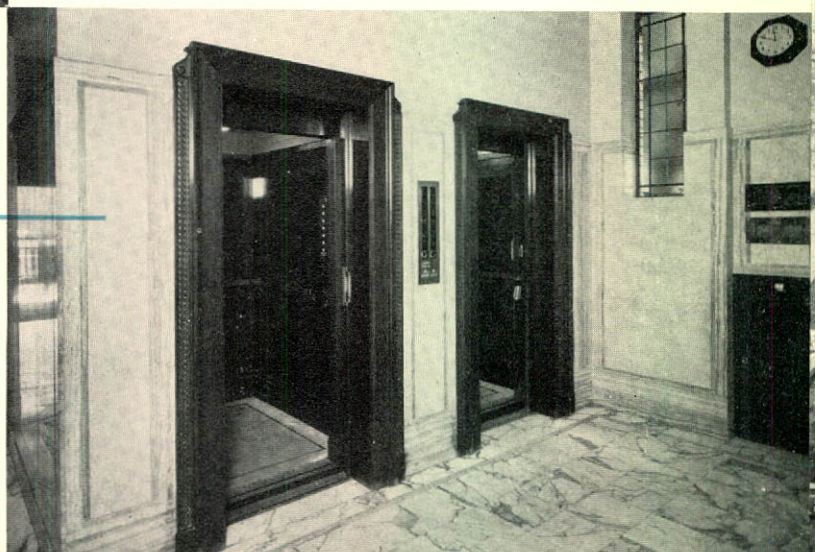


Refrigerating design and installation in the
Queens, pictured above, is by J. & E. Hall Limited,
Dartford, Kent, England. What better evidence
could there be of the proven quality of
products installed by this old established firm?
ESP, in association with J. & E. Hall,
design, manufacture and install in Canada,
Marine and Commercial refrigeration,
Moving Stairways and Elevators.



*ESP-Hall moving stairways are expertly
designed, fabricated and installed.*

*Functional design, with speed and
rugged endurance, is the keynote of these
particular elevators.*



Directors' Report to the Shareholders

YOUR directors submit herewith the Consolidated Balance Sheet of your company and its subsidiaries, The A. B. Ormsby Company, Limited and W. D. Beath and Son Limited as at November 30th, 1949, together with the related Consolidated Statement of Profit and Loss and Earned Surplus for the year then ended.

The net loss for the year after all charges, including depreciation of \$86,589.89, as shown by the Consolidated Statement of Profit and Loss, amounted to \$16,599.75. Sales volume was more than maintained and showed an increase of 5.8% over the previous year, but due to higher costs, a reduction of earnings was experienced.

Working capital at November 30, 1949, amounted to \$1,863,959.74, an increase during the year of \$33,687.80. During the year \$25,986.74 was expended on capital additions, \$40,000.00 principal amount of debentures was retired and \$86,443.20 was paid out in dividends, being 30c per share. At November 30, 1949, the earned surplus amounted to \$922,400.99, which was \$111,476.00 less than at the end of the previous fiscal year.

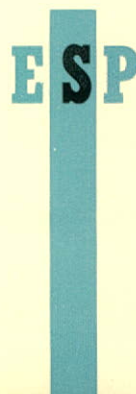
In November last the Dupont Street plant was sold and the operations formerly carried on there are now incorporated in the operations of the Preston and Toronto plants which will result in overhead savings in the coming year.

Your directors are pleased to record their appreciation of the faithful services of the officers and employees of the Company.

On behalf of the Board,

A. B. DAVIDSON,
President.

Toronto, Ontario,
March 15, 1950.



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THE A. B. ORMSBY COMPANY, LIMITED

CONSOLIDATED BALANCE S

Assets

CURRENT ASSETS:

Accounts receivable, less reserve for doubtful accounts - - -	\$1,052,934.23
Inventories as determined by the management and certified to be valued at estimated cost for goods finished and in process and the lower of cost or market for raw materials, etc. - -	1,653,291.90
Refundable portion of excess profits taxes due in 1950 - - -	110,164.24
Prepaid expenses and accrued revenue - - - - -	46,816.80
CASH HELD BY TRUSTEE FOR THE DEBENTURE-HOLDERS AVAIL- ABLE FOR CAPITAL EXPENDITURES IN PROCESS - - - - -	\$2,863,207.17 105,000.00
LIFE INSURANCE, CASH SURRENDER VALUE - - - - -	44,029.68
REFUNDABLE PORTION OF EXCESS PROFITS TAXES - - - -	95,808.36

FIXED ASSETS:

Land, buildings, plant and equipment at depreciated appraised value as per appraisals by Industrial Valuation Company, Limited in 1946, plus subsequent additions at cost, less disposals - - - - -	3,328,291.60
Less subsequent reserve for depreciation - - - - -	191,335.88
	3,136,955.72

DEFERRED CHARGES:

Debenture issue expenses, less portion amortized - - - - -	42,580.51
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\$6,287,581.44

Approved on beh

"J. M. PRITCHARD," Director

AUDITORS' REPORT TO

We have audited the accounts of Eastern Steel Products, Limited and its subsidiary companies for the year ended November consolidated balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs and as shown by their books.

TORONTO, CANADA, MARCH 15, 1950.

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HEET NOVEMBER 30, 1949

Liabilities

CURRENT LIABILITIES:

Bank loan and overdraft (secured) - - - - -	\$ 469,743.31	
Accounts payable and accrued liabilities - - - - -	460,911.51	
Other taxes withheld or accrued - - - - -	26,821.61	
Debenture principal maturing April 1, 1950 - - - - -	40,000.00	
Minority interest in subsidiary company - - - - -	1,771.00	
		\$ 999,247.43

FIRST SECURED DEBENTURES, SERIES "A" AND "B":

Maturing \$40,000.00 annually 1950 to 1956, \$50,000.00 annually 1957 to 1961 and \$1,110,000.00 in 1966. Sinking fund payments of \$65,000.00 to be made annually from 1962 to 1965 inclusive. Interest at varying rates from 2½% to 4%, depending on maturity - - - - -	1,640,000.00	
Less payment due April 1, 1950 shown above - - - - -	40,000.00	
		1,600,000.00

EXCESS OF APPRAISED VALUE of fixed assets over net book value, less book value of patents, leases and goodwill - - - - -		1,775,400.91
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CAPITAL STOCK AND EARNED SURPLUS:

Capital stock:		
Authorized, 400,000 shares of no par value		
Issued, 288,144 shares - - - - -	\$ 990,532.11	
Earned surplus - - - - -	922,400.99	
		1,912,933.10

NOTE:

No provision has been made in the above balance sheet for income tax in respect of certain amounts paid in prior years as interest on borrowed money which the company claims are deductible expenses for tax purposes. No tax assessments have been received for those years and no tax liability is admitted by the company.

\$6,287,581.44

alf of the Board.

"C. F. W. BURNS," Director

THE SHAREHOLDERS

30, 1949 and have obtained all the information and explanations we have required. We report that, in our opinion, the above firms of the said companies as at November 30, 1949, according to the best of our information and the explanations given us

THORNE, MULHOLLAND, HOWSON & McPHERSON, Chartered Accountants.

EASTERN STEEL PRODUCTS LIMITED

AND ITS SUBSIDIARIES

THE A. B. ORMSBY COMPANY, LIMITED and W. D. BEATH & SON LIMITED



Consolidated Statement of Profit and Loss and Earned Surplus

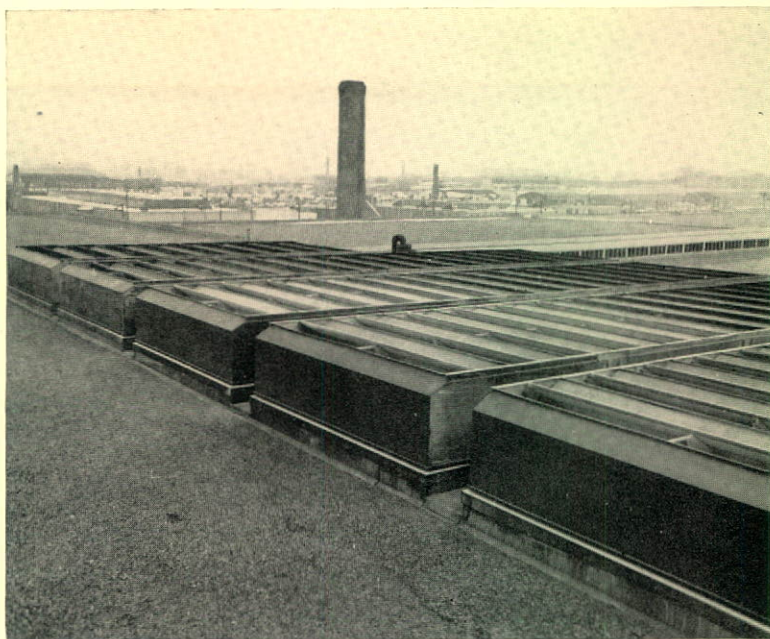
Y E A R E N D E D N O V E M B E R 3 0 , 1 9 4 9

Net operating profit for year after deducting all expenses, including executive salaries and legal fees, \$26,600.00 but before the under-mentioned items - - - - -	\$ 133,225.84
Provision for depreciation - - - - -	86,589.89
	<u>\$ 46,635.95</u>
Income from investments - - - - -	\$ 516.25
Life insurance, increase in cash surrender value - - - - -	683.90
	<u>1,200.15</u>
	<u>\$ 47,836.10</u>
Debenture interest - - - - -	\$63,040.00
Loss on sale of investments - - - - -	1,395.85
	<u>64,435.85</u>
Net loss for year - - - - -	\$ 16,599.75
Earned surplus at beginning of year - - - - -	1,033,876.99
	<u>\$1,017,277.24</u>
Provision for additional taxes on income of prior years - - - -	\$ 8,433.05
Dividends paid aggregating 30c a share - - - - -	86,443.20
	<u>94,876.25</u>
EARNED SURPLUS AT NOVEMBER 30, 1949 - - - - -	<u><u>\$ 922,400.99</u></u>

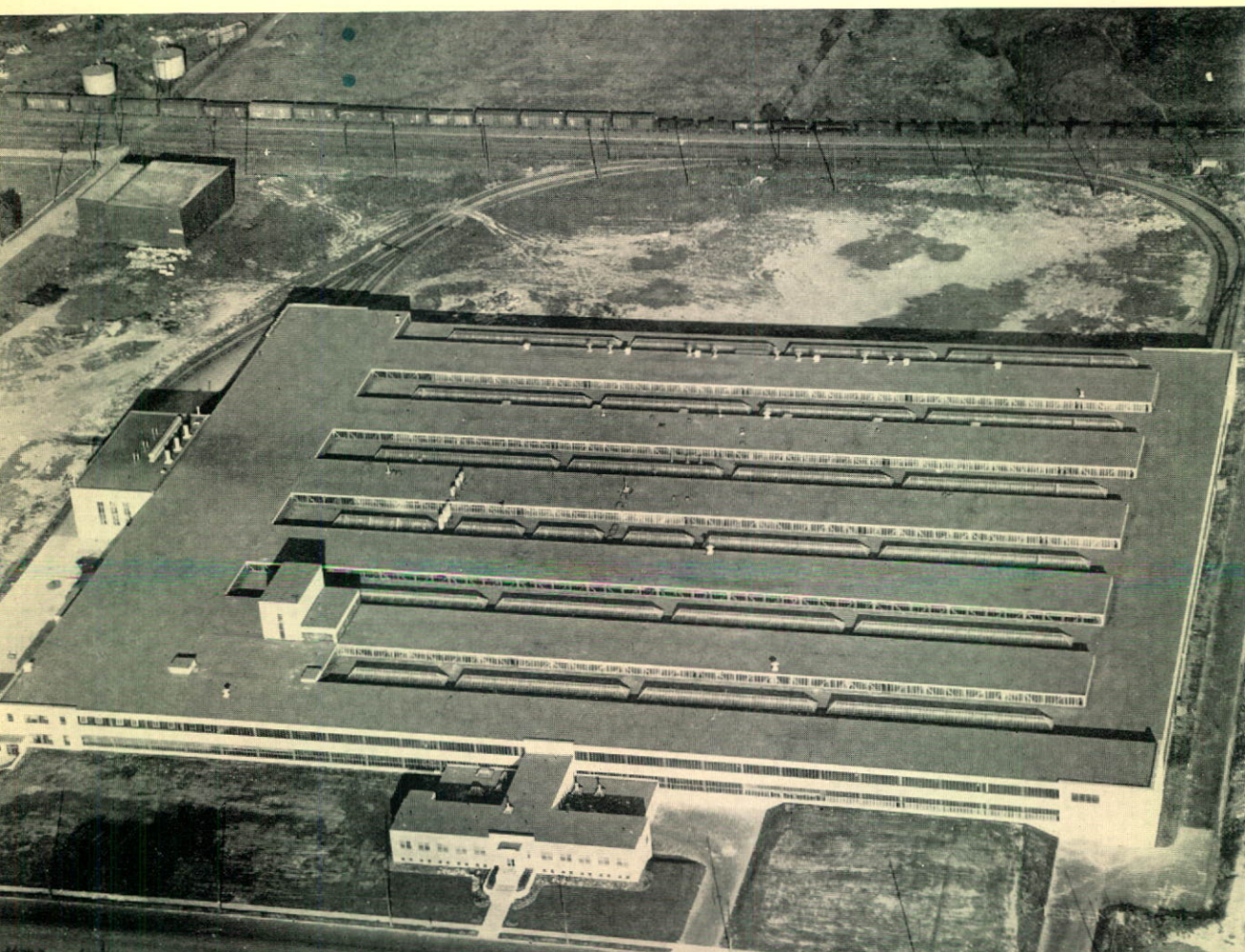
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ESP-Swartwout Airmovers—like silent sentinels guarding the health of factory workers. Air moving greatly reduces lost time caused by tiring, stuffy air and common colds, etc.



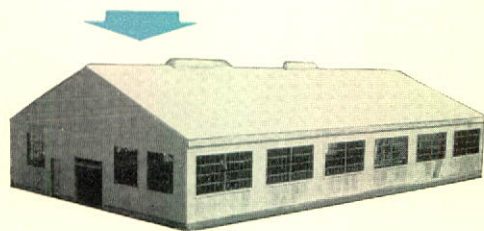
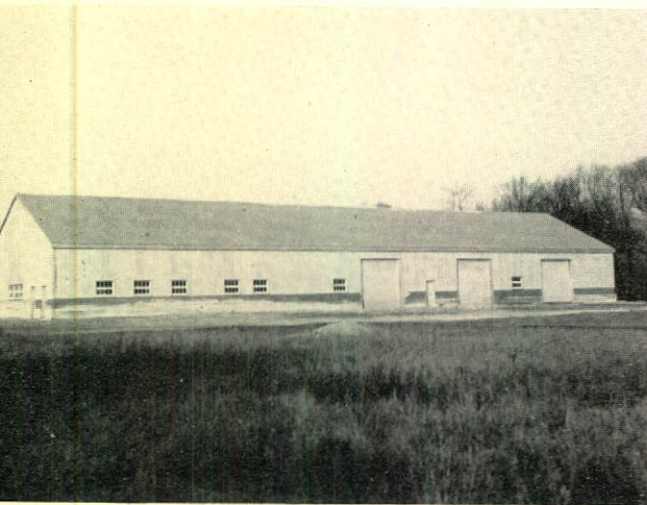
*Built-up roofing, sheet metal and insulation by ESP.
This is another graphic example of the diversified facilities available to industry through ESP.*





ESP built "Cross-Crimpt" aluminum pavilion in Norfolk County Fair Ground.

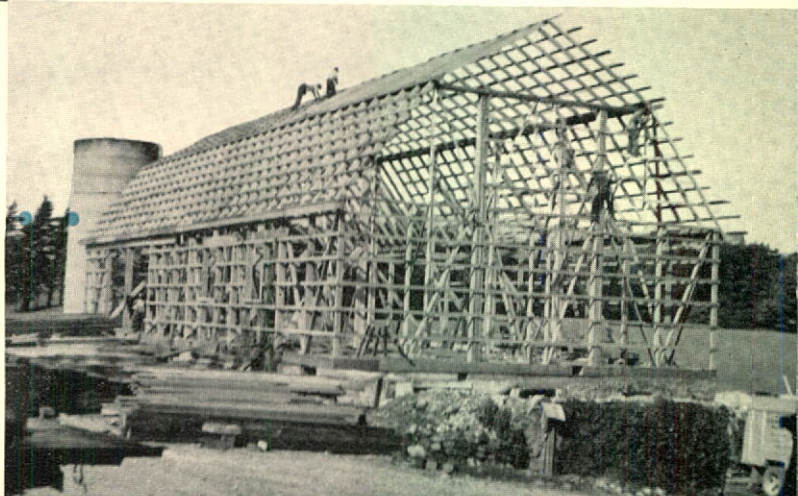
ESP provided the answer for this manufacturing company with a highly adaptable, low cost, industrial building.



ESP serves the construction industry in many ways. The beautiful new head office of the Bank of Nova Scotia contains many units of ESP quality products.

A specially designed County building by ESP combining offices with equipment storage. The relatively low capital expenditure necessary for this type of building has created an expanding demand for this product. Note the ESP overhead doors at one end of the building.

The skeleton of an ESP plank truss barn, soon to be covered by ESP roofing and siding, of either galvanized steel or aluminum.



EASTERN STEEL PRODUCTS LIMITED



A major problem for

manufacturers of heavy goods has been

how to show their products most effectively to the public.

ESP has partially solved its particular problem by developing a unique travelling display unit consisting of a tractor and trailer, and equipped with a representative showing of the company's many products in model form.

The unit travels to Fall Fairs, Exhibitions, and on other special assignments. Already thousands of people have been given an up-to-the-minute picture of ESP's wide activities; plans include an even bigger schedule, and expansion of the unit's display facilities.



The ESP Product Display Unit.



Interior of the Display Unit. The public enters at the rear and leaves by a door at the far end to the right.

EASTERN STEEL PRODUCTS LIMITED



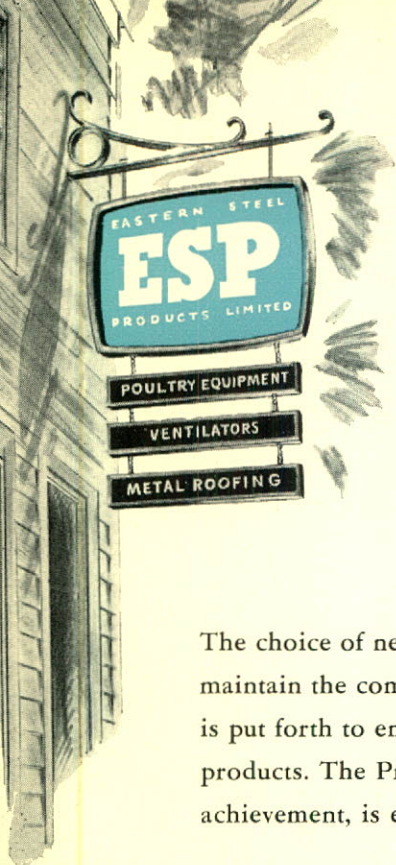
On the ESP barn pictured above may be seen the company's well-designed ventilators, silo roofs and overhead doors on the implement shed at right.

About fifty years ago, ESP started building barns. It was a modest start.

Since then, there have been many progressive changes, and the company's reputation for high quality, design and workmanship has grown proportionately.

To-day, besides barns, implement sheds, garages, storage buildings, small industrial buildings, etc., ESP serves the farmer with Jamesway poultry equipment from the most complex incubators to small miscellaneous articles for all sizes of flocks. Overhead doors and door hardware, farm building materials, Jamesway hog feeders, stock troughs and many other essential pieces of equipment for Canadian farms pour out of ESP plants and dealer outlets from coast to coast.

ESP



For over half a century of successful operation, the company has been engaged in manufacturing a steadily increasing number of steel products for Canadian industry.

The choice of new lines has been made with discrimination. Skilled personnel maintain the company's leadership in the sheet metal fabricating field. Every effort is put forth to ensure customer satisfaction and operating efficiency on both old and new products. The Product Development Department, already having an enviable record of achievement, is expanding its personnel and operating facilities.

The Company carries on an active business in the following lines:

Buildings: including Barns, Implement Sheds, Garages, Storage Buildings and many types of smaller Industrial Buildings.

Contract: including Special Order, Fabricated Sheet and Plate Work, Contract Roofing, Structural, Ventilation and Ductwork, etc., Steel Window Sash, Doors of all types, Door Frames, Toilet Partitions, etc.

Refrigeration: including Industrial, Marine and larger commercial installations.

Automotive and Container: including Truck and Trailer Bodies and Tanks, Truck Scrapers and Patrols, Snow Removal Equipment, Drums, Containers and Storage Tanks.

Warehoused Lines: including Builders' Supply Specialties, Metal Roofing and Siding, Ventilators, Farm Specialties, Jamesway Incubators and Poultry Equipment and Jamesway Hogfeeders, etc.

Elevators and Moving Stairways.

Eastern Steel welcomes the opportunity to demonstrate its facilities or products as they may apply to any particular problem.

ESP



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This maze of ducting is an example of ESP custom and plate work installed at the Johns-Manville project at Port Union.

Back Cover Photograph—*The Hospital for Sick Children, Toronto.* ESP are proud to be playing an integral part in its construction, supplying a variety of building materials, including metal lath, channel, corner bead, Kalamein doors, steel door frames, etc.

